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Co-op Chat: About the use of words.

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION
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To All REA Co-op Officials:

Some of you may wonder why I want to talk about the use of words in this Co-op Chat. We are no longer on the school bench, and all of us are too busy to spend any time splitting hairs. But when you look at some of those anti-co-op ads appearing here and there in the press, you readily begin to see how the loose use of certain words by co-op officials and members can be exploited so as to confuse the public and, I fear, even the less well-informed co-op members themselves.

When a co-op official talks about the "profits" his co-op made last year, he is surely leading with his chin! The same is true for a co-op whose revenue and expense statement uses the term "profit" when referring to the excess of receipts over expense. A profit is what the owners of a business make (or hope to make) by selling goods or services to other people. But where the owners and the patrons of a business are the very same people, as in a co-op, the word "profit" doesn't fit into their accounting language. I have never heard of a man making a profit off himself. If we make it a habit to use this word only where it really applies, perhaps the rank and file co-op members will acquire the habit also. That will help all of us to keep our thinking straight.

There is another word which, I am told, REA has made a consistent effort to ban from the REA co-op vocabulary. Some of you old-timers in the program may yourselves have been the victims of the rule adopted at some REA-sponsored conferences to pay a penalty for using the word "customers" when referring to REA co-op members. A power company has customers. But if REA co-op officials think and talk of the co-op members as "customers," it is not surprising if these members will also think of themselves as "customers" of the "company" rather than as consumer-members of a co-op which they jointly own and operate for service to themselves. Member consciousness is essential to the success of any co-op as a community enterprise. When REA co-op members begin to say "we" and "our" in reference to co-op matters, it is a good sign that they have progressed in their thinking beyond the "customer" attitude. And it is a more than even bet that the directors and employees of such a co-op don't think or talk of the co-op members as "customers." So let's call them members.

A few REA co-ops are serving some people who have not yet become members. Every effort should, of course, be made to sign such people up as members. But until all patrons of the co-op are actually also members, the term "patron" or "consumers" should be used when referring to matters relating to service rather than to members' rights and duties.

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Sometimes I have heard co-op officials refer to their co-op as "the company" or "the corporation." Of course, every REA co-op is set up as a corporation because that gives it certain legal rights and powers and protects the members against individual liability for the co-op's obligations. But even though a co-op is legally a "corporation" and may be called a "company" in some State statutes, those terms need not be used by co-op officials, employees, and members in day-by-day co-op affairs. Their use should be confined to legal documents if they have to be used at all. It is not easy for farm people to develop any affection or any sense of loyalty for a "company" or "corporation." In their thinking, those terms stand for business operated for the benefit of the investor instead of the user, for large directors' salaries and for business control by the biggest stockholders -- not for an association of neighbors engaged democratically in providing non-profit service to themselves on a basis of mutual self-help. Your membership is much more likely to think and act cooperatively if everyone connected with the enterprise refers to it as a cooperative or "co-op" so as to avoid any misunderstanding.

How easy it is to fall into the habit of using a word unwisely is also illustrated by a phrase which many of us, including myself, have unfortunately helped to popularize. For years now, the friends of co-op power have referred to the power companies as "private" utilities or "private" power companies. The term was apparently coined to distinguish these companies from publicly owned power projects such as Bonneville, TVA, rural power districts, and municipally owned and operated systems.

Of course, REA co-ops, like public power developments, are operated on a non-profit basis for the benefit of the people as consumers. But, like the power companies, REA co-ops are also privately owned and controlled, with one vital difference -- they are owned and controlled by the people whom they serve. Therefore, we should get out of the habit of speaking of the power companies as "private" companies; otherwise, our own use of that word will be taken as lending credence to those advertisements which try to persuade the general public that co-ops are making inroads on "private" enterprise and should be checked if private enterprise is to survive. We can just call them "power companies" or any other appropriate description which does not give the impression that a company operating for profit is any more private than a co-op operated on a non-profit basis.

There is more to the power of words than we sometimes realize. It seems to me that all of us would do well to keep this in mind.

Sincerely,

Claude R. Wickard
Administrator

